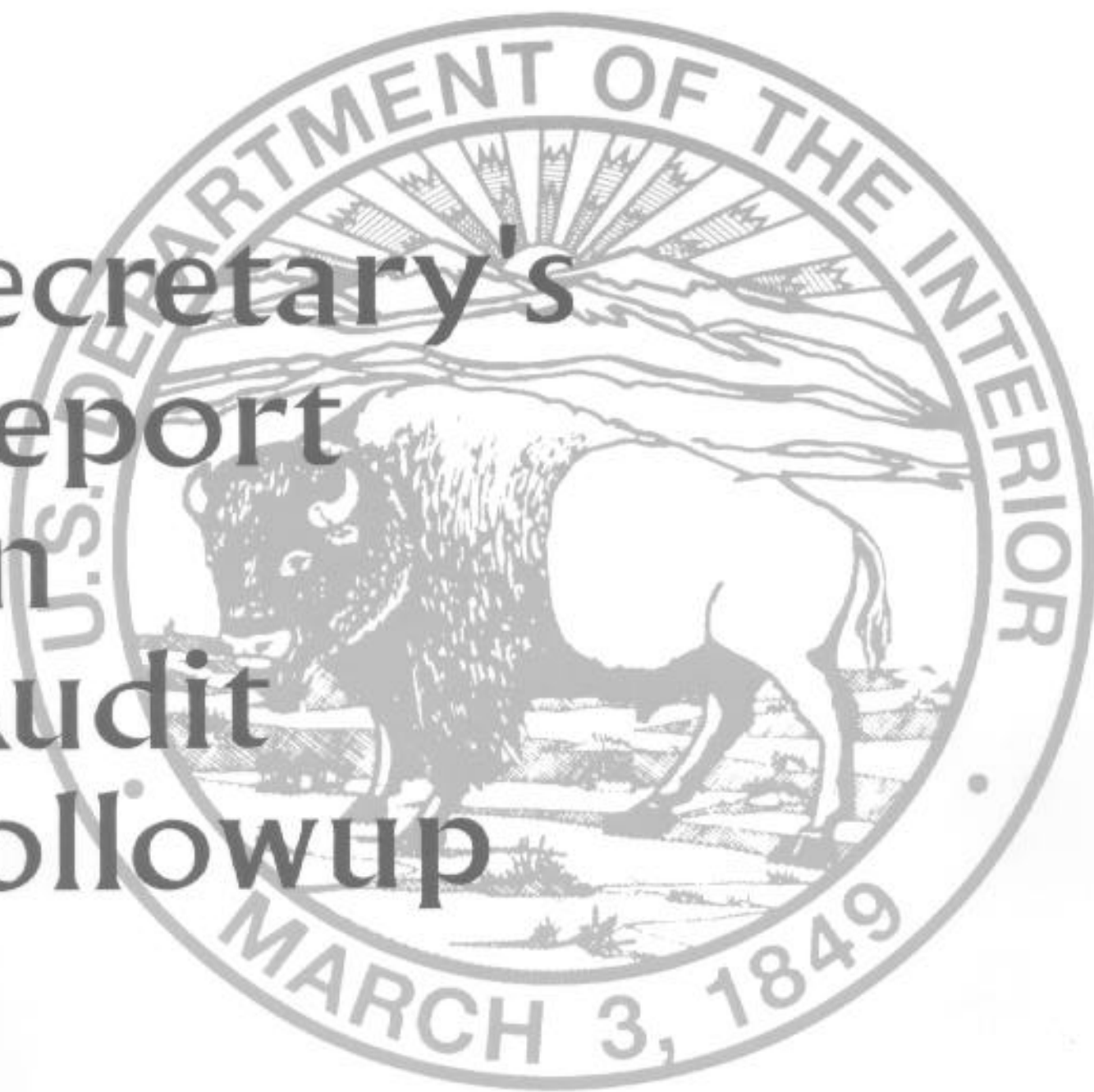


U.S. Department of the Interior

Secretary's Report on Audit Followup



Inspector General Act Amendments
Public Law 100-504

October 1, 1995 — March 31, 1996

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United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

JUN 03 1996

Honorable Bruce Babbitt
Secretary of the Interior
Washington, D.C. 20240

Dear Mr. Secretary:

I am pleased to submit the Department's semi-annual report to Congress on audit followup for the six-month period ending March 31, 1996, as required by the *Inspector General Act Amendments of 1988 (Public Law 100-504)*.

The Department strives to maintain an audit followup program that is responsive to the needs of management and the requirements of the 1988 Amendments to the Inspector General Act. A sound audit followup program is critical to maintaining integrity and accountability in programs and operations, and building public trust and confidence in the way the Department carries out its mission. Implementing audit recommendations in a timely manner and collecting disallowed costs, promotes and encourages excellence in program results, and helps achieve the Department's stewardship goals.

I am encouraged by the substantial progress achieved during this reporting period. Of the 112 total Office of the Inspector General audits in tracking at the beginning of the reporting period, 33 audits were closed. The success in closing audits during the reporting period is a tribute to the highly collaborative working relationship which has evolved between the bureaus and the Office of Inspector General.

I hope you will find this report useful and informative. Your continued support is greatly appreciated.

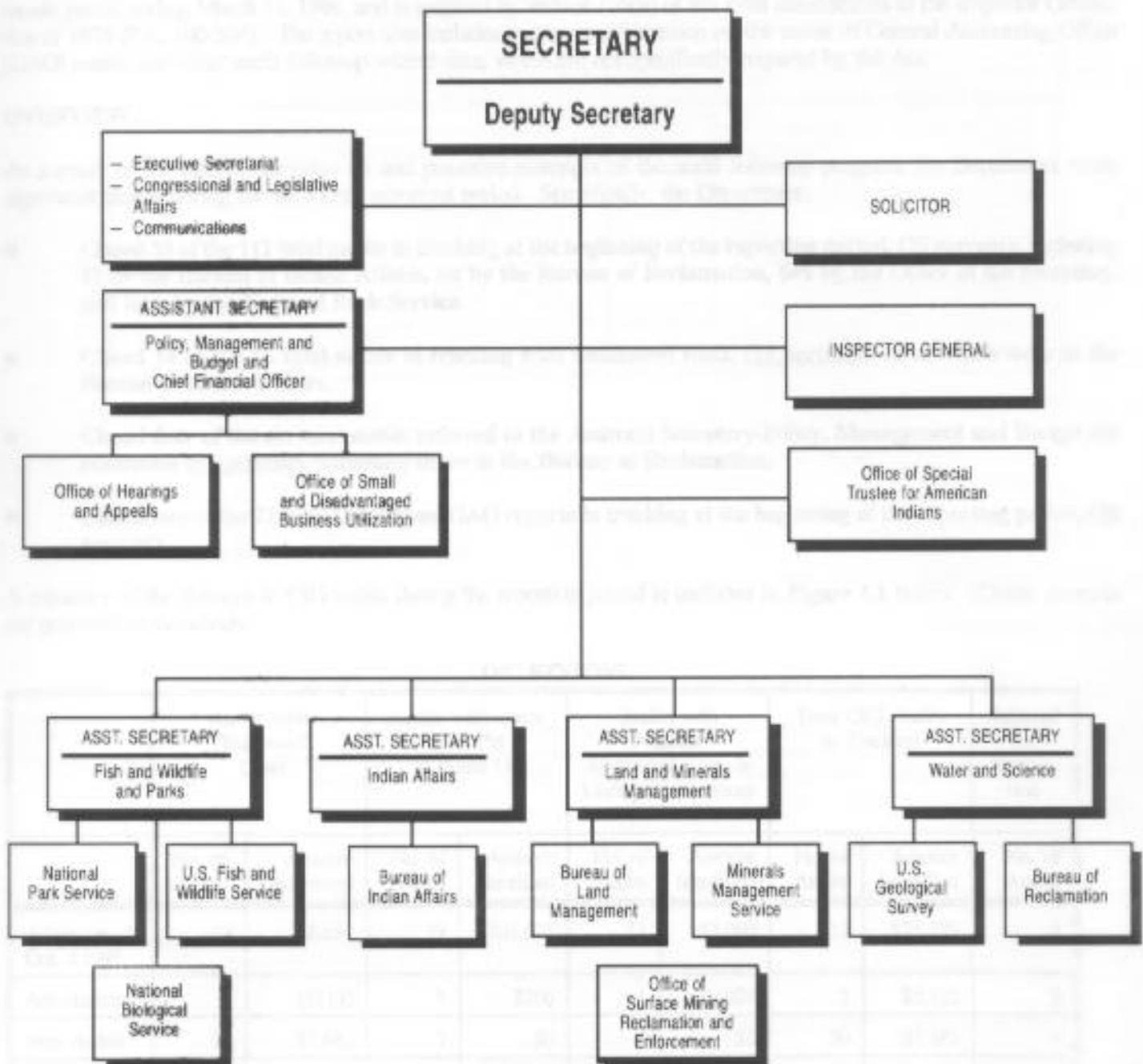
Regards,

Bonnie R. Cohen

Assistant Secretary - Policy, Management and
Budget and Chief Financial Officer

Enclosure

GENERAL ORGANIZATION U.S. DEPARTMENT OF THE INTERIOR



SUMMARY AND OVERVIEW

This semi-annual report to Congress on audit followup covers audit reports issued by the Office of Inspector General (OIG) for which management decisions have been issued, and that require tracking of final action. The report covers the six-month period ending March 31, 1996, and is required by section 106(b) of the 1988 amendments to the Inspector General Act of 1978 (P.L. 100-504). The report also includes summary information on the status of General Accounting Office (GAO) audits, and other audit followup related data, which are not specifically required by the Act.

OVERVIEW

As a result of the priority attention on and proactive oversight of the audit followup program, the Department made significant strides during the six-month reporting period. Specifically, the Department:

- Closed 33 of the 112 total audits in tracking at the beginning of the reporting period, (29 percent); including 12 by the Bureau of Indian Affairs, six by the Bureau of Reclamation, five by the Office of the Secretary, and four by the National Park Service.
- Closed 14 of the 42 total audits in tracking with disallowed costs, (33 percent); 12 of which were in the Bureau of Indian Affairs.
- Closed four of the six total audits referred to the Assistant Secretary-Policy, Management and Budget for resolution (67 percent); including three in the Bureau of Reclamation.
- Closed two of the 21 total Draft/Final GAO reports in tracking at the beginning of the reporting period, (10 percent).

A summary of the changes in OIG audits during the reporting period is included in **Figure 1.1** below. (Dollar amounts are provided in thousands.)

OIG REVIEWS

	Audits with Disallowed Costs		Audits with Funds to be Put to Better Use		Audits with Potential Additional, Lost, or Underpaid Revenues		Total OIG Audits in Tracking		Referred for Resolution
	No. of Audits	Amount Disallowed	No. of Audits	Amount Identified	No. of Audits	Amount Identified	No. of Audits	Amount Identified	No. of Audits
Audits as of Oct. 1,1995	42	\$8,654	59	\$63,655	11	\$3,080	112	\$75,389	6
Adjustments		(\$113)	1	\$206	1	\$2,029	2	\$2,122	0
New Audits	11	\$1,482	7	\$0	2	\$0	20	\$1,482	0
Audits Closed	14	\$1,896	16	\$5,222	3	\$2,109	33	\$9,227	4
Audits as of March 31, 1996	39	\$8,127	51	\$58,639	11	\$3,000	101	\$69,766	2

Figure 1.1

The accompanying statistical tables in this report provide detailed information on the progress in each category.

Active Reviews	No. of Reviews		Draft/Final Reports	No. of Reviews
Active Reviews as of October 1, 1995	53		Draft/Final reports in tracking at the beginning of the reporting period	16
New Reviews initiated during reporting period	19		Draft Reports issued during the reporting period	5
Reviews terminated w/o product during reporting period*	7		Final Reports closed during the reporting period	2
Total reviews in tracking at the end of the reporting period	65		Total Draft/Final Reports in tracking at the end of the reporting period	19

INSTRUCTIONS TO THE CANDIDATE

- ## GAO Audits

- At October 1, 1995, GAO had 53 active reviews underway in the Department.
- During the reporting period, 19 new reviews were initiated, and seven existing reviews were closed.
- At March 31, 1996, 65 total reviews were in progress and being tracked.

- At October 1, 1995, 16 draft/final GAO reports were in tracking.
- During the reporting period, five new reports were issued and two were closed.
- At March 31, 1996, 19 draft/final reports remain in tracking.

GLOSSARY OF TERMS

The following are definitions of specific terms as they are used throughout the report.

Closed - That stage of a recommendation or audit in which agreed upon actions have been resolved and implemented, thereby, closing the recommendation/audit report.

Disallowed Cost - A cost that is questioned by auditors that management has subsequently sustained or agreed should not be charged to the Government.

External Audit - An audit completed by an independent audit organization under the Single Audit Act of 1984; a grant audit; a preaward audit of contractor proposed future costs; a concessions audit; or a contractor claim audit. Monetary findings from these reports may be classified as "questioned costs" or "funds recommended to be put to better use."

Final Action - The completion of all management actions, which are described in a management decision, with respect to audit findings and recommendations, including the collection of audit-related debt. If management concludes no actions were necessary, final action occurs when a management decision is issued.

Funds to be Put to Better Use (FBU) - An audit recommendation that funds could be used more efficiently if management takes action to implement the recommendation. (This term should not be interpreted to mean that these funds are available for ongoing programs or functions or that appropriations can be reduced.)

Implemented - The actions agreed to by management regarding a recommendation have been completed and verified.

Internal Audit - An audit report of an agency program or operation or an audit report of an insular or tribal government . Monetary findings are usually classified as "funds recommended to be put to better use" or "potential additional, lost, or underpaid revenues."

Management Decision - The evaluation by management of the findings and recommendations included in an audit report and the issuance of a final decision by the OIG or AS/PMB concerning management's response to such findings and recommendations, including actions concluded to be necessary.

Potential Additional, Lost, or Underpaid Revenues (PAR) - A recommendation that revenue would result if management took action to implement the audit recommendation.

Questioned Costs - A cost that is questioned because of:

- (a) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
- (b) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or
- (c) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Reinstated Cost - A disallowed cost that management determines is allowable (i.e., the contractor does not owe the government).

Resolution - The process of reaching a management decision.

Resolved - That stage of a recommendation in which a determination of actions to be taken has been rendered and accepted by management and the OIG or AS/PMB.

ACRONYMS

Bureau/Office Acronyms

BIA	Bureau of Indian Affairs
FBS	National Biological Service
FNP	National Park Service
FTPS	Facilities Transition Project Staff (OCM)
FW	Assistant Secretary for Fish and Wildlife and Parks
FWS	Fish and Wildlife Service
IA	Assistant Secretary - Indian Affairs
ISC	Interior Service Center
LLM	Bureau of Land Management
LM	Assistant Secretary for Land and Minerals Management
LMS	Minerals Management Service
LSM	Office of Surface Mining Reclamation and Enforcement
OAS	Office of Aircraft Services
OIG	Office of Inspector General
OS	Office of the Secretary
PAM	Office of Acquisition and Property Management
PEP	Office of Environmental Policy and Compliance
PFM	Office of Financial Management
PIR	Office of Information Resources Management
PMB	Assistant Secretary - Policy, Management and Budget
POB	Office of Budget
PPA	Office of Policy Analysis
PPM	Office of Personnel
PIA	Office of Insular Affairs
SIO	Secretary's Immediate Office
SOL	Office of the Solicitor
WBR	Bureau of Reclamation
WGS	U.S. Geological Survey
WS	Assistant Secretary for Water and Science

Other Acronyms Used

ALMRS	Automated Land and Mineral Records System
CCLR	Claims Collection Litigation Report
CFR	Code of Federal Regulations
DM	Departmental Manual
DOA	Department of Agriculture
DOJ	Department of Justice
EPA	Environmental Protection Agency
FFS	Federal Financial System
FMFIA	Federal Managers' Financial Integrity Act
FR	Federal Register
IDEAS	Interior Department Electronic Acquisition System
GAO	U.S. General Accounting Office
LEMIS	Law Enforcement Management Information System
OMB	Office of Management and Budget

DEPARTMENTAL SUMMARY OF ACTIONS TAKEN ON AUDITS WITH DISALLOWED COSTS

				Number of Reports	Disallowed Amount
(A) Reports on hand at the beginning of the reporting period				42	\$8,654,384
Adjustments				0	(\$113,047)
(B) New reports received during the reporting period				11	\$1,482,150
Total reports in tracking				53	\$10,023,487
(C) Reports closed during the reporting period				14	\$1,896,334
Code	Explanation	No. of Reports	Disallowed Amount		
C1	Collected	11	\$486,616		
C2	Written Off	0	\$0		
C3	Offset	1	\$3,385		
C4	Reinstated	1	\$46,097		
C5	Other*	1	\$1,360,236		
(D) Reports in progress at the end of the reporting period				39	\$8,127,153
Code	Explanation	No. of Reports	Disallowed Amount		
D1	Mgmt dcsn < 1 year old	15	\$1,974,320		
D2	Mgmt dcsn > 1 year old	13	\$1,118,006		
D3	Mgmt dcsn under formal appeal	11	\$5,034,827		

*Action transferred to another Interior agency.

ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS

Subject	Audit Number	Report Date	Mgt Dcsn Date	Amount Due	Status*
National Park Service					
City of Chester, PA	94-I-7	Oct 93	Mar 94	\$199,999	A,D2
Fish and Wildlife Service					
State of Maryland	95-E-27	Oct 94	Sep 95	\$205,489	A,D1

ASSISTANT SECRETARY - INDIAN AFFAIRS

Subject	Audit Number	Report Date	Mgt Dcsn Date	Amount Due	Status*
Bureau of Indian Affairs					
Ponca Housing	53-84	Aug 84	Dec 84	\$236,131	A,D2
Navajo Nation	91-A-307	Jan 91	Feb 95	\$6,309	A,D2
Angoon Community Association	92-A-928	Jun 92	Dec 92	\$8,396	A,D2
Kuskokwim Native Association	92-A-1183	Aug 92	Apr 93	\$2,841 ¹	A,D2
Kuskokwin Native Association	93-A-1468	Aug 93	Aug 94	\$3,920 ²	A,D2
Navajo Nation (Navajo Community College)	93-A-1566	Sep 93	Jul 95	\$32,773 ³	A,D2
Cheyenne and Arapaho Tribes of Oklahoma	93-A-1630	Sep 93	Sep 94	\$17,716 ⁴	A,D2
Tunica-Biloxi Indians of Louisiana	94-A-298	Feb 94	Mar 94	\$4,170	A,C1

¹Payment made since prior report.²Payment made since prior report.

³Adjustment made in costs due since prior report.

⁴Amount in prior report reduced by contracting officer.

Subject	Audit Number	Report Date	Mgt Desn Date	Amount Due	Status*
Bureau of Indian Affairs (Continued)					
Fort Mojave Indian Tribe	94-A-338	Feb 94	May 94	\$3,006	A,D2
Yavapai Apache Tribe	94-A-562	May 94	Sep 94	\$68,153	A,D2
Pueblo of Laguna	94-A-893	Jun 94	Feb 94	\$12,692	A,C1
Pueblo of Jemez	94-A-964	Jul 94	Dec 94	\$145,000 ⁵	A,D2
Jicarilla Apache Tribe	94-A-1060	Jul 94	Dec 94	\$1,545 ⁶	A,C1
Indian Township Tribal Gov't	94-A-1322	Sep 94	Mar 95	\$7,897	A,D3
Pueblo de Cochiti	95-A-22	Oct 94	Mar 95	\$1,101	A,D3
Navajo Nation	95-A-268	Dec 94	Mar 95	\$11,576	A,D2
Loneman School Corporation	95-A-302	Dec 94	Feb 95	\$1,032	A,C1
Northern Cheyenne Tribe	95-A-304	Dec 94	Sep 95	\$35,254	A,D1
Mescalero Apache Tribe	95-A-305	Dec 94	Jul 95	\$22,898	A,D1
Oglala Sioux Tribe	95-A-311	Jan 95	Jun 95	\$31,878	A,C1
Three Affiliated Tribes	95-E-505	Feb 95	Sep 95	\$1,360,236 ⁷	A,C5
Cheyenne River Community College	95-A-526	Feb 95	May 95	\$1,252	A,C1
Wounded Knee District School	95-A-531	Feb 95	Apr 95	\$24,594	A,D3
Wounded Knee District School	95-A-532	Feb 95	Apr 95	\$4,835	A,D3
Ysleta Del Sur Pueblo, Tigua Indian Reservation	95-A-583	Feb 95	Jul 95	\$8,994	A,C1
Fort Belknap Indian Community	95-A-611	Feb 95	May 95	\$186,183	A,D1
Pascua Yaqui Tribe	95-A-597	Mar 95	Aug 95	\$23,192	A,D1
San Carlos Apache Tribe	95-A-629	Mar 95	Aug 95	\$25,358	A,D1

⁷Closed for BIA; further action transferred to another Interior bureau.

STATUS OF ACTIONS TAKEN ON AUDITS WITH DISALLOWED COSTS

Subject	Audit Number	Report Date	Mgt Dcsn Date	Amount Due	Status*
Bureau of Indian Affairs (Continued)					
Rosebud Sioux Tribe	95-A-625	Mar 95	Oct 95	\$46,097	B,C4
Wounded Knee District School	95-A-684	Mar 95	May 95	\$15,961	A,D3
Hualapai Tribe	95-A-668	Mar 95	Jul 95	\$3,426	A,C1
Pueblo of Santo Domingo	95-A-763	Apr 95	Feb 96	\$8,240	B,D1
Crow Creek Sioux Tribe	95-A-777	Apr 95	Sep 95	\$25,245	A,D1
Ft. McDermitt Paiute-Shoshone Tribe	95-A-834	May 95	Oct 95	\$1,864	B,D1
Scotts Valley Band of Pomo Indians	95-A-881	May 95	Oct 95	\$1,565	B,D3
Scotts Valley Band of Pomo Indians	95-A-882	May 95	Oct 95	\$3,339	B,D3
Cheyenne-Arapaho Tribes of Oklahoma	95-A-914	May 95	Aug 95	\$21,745	A,D1
Pueblo of Jemez	95-A-940	May 95	Jan 96	\$25,000	B,D1
Porcupine Contract School	95-A-1017	Jun 95	Sep 95	\$1,650	A,D1
Oglala Sioux Tribal Public Safety Commission	95-A-1036	Jun 95	Mar 96	\$19,097	B,D1
Intertribal Agriculture Council	95-A-1157	Jun 95	Oct 95	\$3,243	B,C1
Sisseton-Wahpeton Sioux Tribe	96-A-103	Oct 95	Feb 96	\$10,084	B,C1

ASSISTANT SECRETARY FOR LAND AND MINERALS MANAGEMENT

Subject	Audit Number	Report Date	Mgt Dcsn Date	Amount Due	Status*
Office of Surface Mining					
Selected Grant Oversight Activities	93-I-1198	Jul 93	Oct 93	\$382,186	A,D2
Commonwealth of Pennsylvania, Fiscal Year ending June 1993	95-A-695	Mar 94	Dec 95	\$3,385	B,C3

ASSISTANT SECRETARY FOR WATER AND SCIENCE

Subject	Audit Number	Report Date	Mgt Dcsn Date	Amount Due	Status*
Bureau of Reclamation					
Kit-San-Azusa	022-89	Aug 90	Apr 91	\$1,695,701	A,D3
Marshall & Columbia	004-89	Jul 91	Jan 92	\$3,034,947	A,D3
New Magma Irrigation and Drainage District	94-A-928	Jul 94	Dec 94	\$408,300	A,C1
Central Arizona Irrigation and Drainage District	94-A-1207	Aug 94	Mar 95	\$146,000	A,D3
Universal Coatings, Incorporated	95-E-32	Oct 94	Apr 95	\$98,887	A,D3
State of North Dakota for the Fiscal Year ended June 1992	95-A-991	Jun 95	Sep 95	\$12,869	A,D1
The Affiliated Tribes	95-E-505	Feb 95	Oct 95	\$1,360,236	B,D1

- A - Final action had not been taken at the commencement of the reporting period.
- B - Management decision made during reporting period.
- C - Final Action taken during reporting period.
 - C1 - Disallowed costs collected.
 - C2 - Disallowed costs written off.
 - C3 - Disallowed costs offset.
 - C4 - Disallowed costs reinstated after arbitration.
 - C5 - Other - Action transferred to the Department of Justice.
- D - No final action has been taken by end of reporting period.
 - D1 - Management decision made within preceding year.
 - D2 - Management decision made over 1 year ago.
 - D3 - Management decision is under formal appeal.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE
ON AUDITS WITH DISALLOWED COSTS**

ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS

Subject	Audit Number	Report Date	Mgt Dcsn Date	Unrecovered Disallowed Costs	Explanation
National Park Service					
City of Chester, Pennsylvania	94-I-7	Oct 93	Mar 94	\$199,999	The National Park Service (FNP) issued a Bill for Collection in January 1994. FNP program officials continue to work with City and State officials to obtain repayment.

ASSISTANT SECRETARY - INDIAN AFFAIRS

Subject	Audit Number	Report Date	Mgt Dcsn Date	Unrecovered Disallowed Costs	Explanation
Bureau of Indian Affairs					
Ponca Housing	53-84	Aug 84	Dec 84	\$236,131	A Claims Collection Litigation Report (CCLR) was sent to the Regional Solicitor for review in March 1996.
Navajo Nation	91-A-307	Jan 91	Feb 95	\$6,309	A final demand letter has been issued to the Nation to which there has been no response. A CCLR was issued in April 1996.
Angoon Community Association	92-A-928	Jun 92	Dec 92	\$8,396	The disallowed costs remain uncollected while the Bureau continues collection efforts.
Kuskokwim Native Association	92-A-1183	Aug 92	Apr 93	\$2,841	The contractor is making installment payments. A payment of \$1,250 was made during the reporting period.
Kuskokwim Native Association	93-A-1468	Aug 93	Aug 94	\$3,920	The contractor is making installment payments. A payment of \$1,750 was made during the reporting period.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE
ON AUDITS WITH DISALLOWED COSTS**

Subject	Audit Number	Report Date	Mgt Dcsn Date	Unrecovered Disallowed Costs	Explanation
Bureau of Indian Affairs (Continued)					
Navajo Nation (Navajo Community College)	93-A-1566	Sep 93	Jun 94	\$32,773	A third demand letter was sent to the Navajo Nation in January 1996 to which there has been no response. A CCLR will be prepared.
Cheyenne and Arapaho Tribes of Oklahoma	93-A-1630	Sep 93	Sep 94	\$17,716	A third demand letter was sent to the Tribe in March 1996. To date, no funds have been collected and a CCLR will be prepared.
Fort Mojave Indian Tribe	94-A-338	Feb 94	May 94	\$3,006	The disallowed costs remain uncollected. A CCLR will be prepared.
Yavapai Apache Tribe	94-A-562	Feb 94	May 94	\$68,153	The disallowed costs remain uncollected while the Bureau continues collection efforts.
Pueblo of Jemez	94-A-964	Jun 94	Feb 95	\$145,681	The Pueblo has paid \$681 of the disallowed costs. The remainder is involved in a criminal investigation conducted by the Denver Region, Office of Inspector General. The Bureau is prohibited from further collection action pending the outcome of the investigation.
Navajo Nation	95-A-268	Dec 94	Mar 95	\$11,576	A third demand letter was sent to the Nation in January 1996; there has been no response or payment. A CCLR will be prepared.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE
ON AUDITS WITH DISALLOWED COSTS****ASSISTANT SECRETARY FOR LAND AND MINERALS MANAGEMENT**

Subject	Audit Number	Report Date	Mgt Dcsn Date	Unrecovered Disallowed Costs	Explanation
Office of Surface Mining					
Selected Grant Oversight Activities	93-I-1198	Jul 93	Oct 93	\$382,186	One recommendation remains outstanding and involves the State of Ohio's vehicle take-home policy. In 1994, Ohio established new guidelines for authorizing vehicles and has increased monitoring of vehicles. With respect to the questioned costs, LSM and the State of Ohio are working toward an approach to gather data that will result in determining and recovering some of the costs from the State.

**DEPARTMENTAL SUMMARY OF ACTIONS TAKEN ON AUDITS WITH RECOMMENDATIONS
TO PUT FUNDS TO BETTER USE**

				Number of Reports	Funds to Better Use Agreed
(A) Reports on hand at the beginning of the reporting period				59	\$63,654,584
Adjustments				1	\$205,558
(B) New reports received during the reporting period				7	\$0
Total reports in tracking				67	\$63,860,142
(C) Reports closed during the reporting period				16	\$5,221,506
(D) Reports in progress at the end of the reporting period				51	\$58,638,636
Code	Explanation	No. of Reports	FBU Agreed		
D1	Mgmt dcsn < 1 year old	11	\$55,557,000		
D2	Mgmt dcsn > 1 year old	37	\$2,524,000		
D3	Mgmt dcsn under formal appeal	3	\$557,636		

ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS

Subject	Audit Number	Report Date	Mgt Dcsn Date	FBU Agreed	Status*
National Park Service					
Glen Canyon National Recreation Area	91-I-532	Mar 91	Jun 91	\$0	A,D2
National Natural Landmarks	92-I-204	Dec 91	Apr 92	\$0	A,D2
Statement of Financial Position	93-I-1275	Jul 93	Aug 94	\$0	A,C
Recreational Assistance Provided to State and Local Governments	93-I-1615	Sep 93	Mar 94	\$0	A,D2
Implementation of FFS	94-I-488	Mar 94	Sep 94	\$0	A,C
Financial Statements for Fiscal Year 1993 and 1994	94-I-1269	Sep 94	Oct 94	\$0	A,C
Safety and Health Program	94-I-1287	Sep 94	Oct 94	\$0	A,C
Selected Administrative Functions, Virgin Islands National Park	95-I-647	Mar 95	Apr 95	\$57,000	A,D1
Harpers Ferry Job Corps Center	95-I-1394	Sep 95	Feb 96	\$0	B,D1
Special Use Fees	96-I-49	Oct 95	Mar 96	\$0	B,D1
Fish and Wildlife Service					
Western Shotcrete Corporation	004-90	Jul 90	Jan 91	\$137,483	A,C
Implementation of FFS	92-I-1348	Sep 92	Feb 93	\$0	A,D2
Automated Data Processing Management	93-I-864	Mar 93	May 93	\$179,000	A,D2
Statement of Financial Position	93-I-1233	Jun 93	Jul 93	\$0	A,C
Law Enforcement Special Funds	94-I-62	Nov 93	Mar 94	\$0	A,D2
Farming Operations on National Wildlife Refuges, Region 1	94-I-408	Mar 94	Apr 94	\$0	A,D2
Concession Fees	95-I-376	Jan 95	Mar 95	\$0	A,D2

Subject	Audit Number	Report Date	Mgt Dcsn Date	FBU Agreed	Status*
Fish and Wildlife Service (Continued)					
Financial Statements for Fiscal Year 1994	95-I-567	Feb 95	Mar 95	\$0	A,D2
Operation and Maintenance of Government Furnished Quarters	96-I-270	Jan 96	Mar 96	\$0	B,D1

Subject	Audit Number	Report Date	Mgt Dcsn Date	FBU Agreed	Status*
Irrigation Operation and Maintenance	88-42	Feb 88	Jul 88	\$145,000	A,D2
Indian Irrigation Projects	89-38	Jan 89	Oct 90	\$0	A,D2
Repayment of the Federal Investment in the Flathead Indian Irrigation Project	94-I-427	Mar 94	Jul 95	\$0	A,D1
Maintenance of Detention Facilities	94-I-1131	Aug 94	Dec 94	\$0	A,D2
Principal Financial Statements	95-I-598	Feb 95	Mar 95	\$0	A,D2

Subject	Audit Number	Report Date	Mgt Dcsn Date	FBU Agreed	Status*
Bureau of Land Management					
User Charges for Mineral-Related Document Processing	89-25	Nov 88	Jan 89	\$2,200,000	A,D2
Drainage Protection Program	90-100	Sep 90	Feb 91	\$0	A,D2
FMFIA	92-I-140	Nov 91	Apr 92	\$0	A,D2

Subject	Audit Number	Report Date	Mgt Dcsn Date	FBU Agreed	Status*
Bureau of Land Management (Continued)					
Hardrock Mining Site Reclamation	92-I-636	Mar 92	Oct 92	\$0	A,D2
Personal Property Management	93-I-661	Mar 93	May 95	\$0	A,C
Rental Fees for Unpatented Mining Claims	94-I-1135	Aug 94	Aug 94	\$0	A,D2
BLM Financial Statements for Fiscal Years 1992 and 1993	94-I-1249	Aug 94	Oct 94	\$0	A,D2
Law Enforcement Activities	94-I-1351	Sep 94	Nov 94	\$0	A,D2
Right-of-Way Grants	95-I-747	Mar 95	May 95	\$0	A,D1
Minerals Management Service					
Offshore Inspection Program	92-I-130	Nov 91	Apr 92	\$0	A,D2
Surety Bonds Issued in Lieu of Disputed Payments	93-I-780	Mar 93	Apr 94	\$0	A,D2
Followup Review-Selected Royalty Audit Activities	94-I-127	Dec 93	Mar 94	\$0	A,D2

Subject	Audit Number	Report Date	Mgt Dcsn Date	FBU Agreed	Status*
Bureau of Reclamation					
Phoenix Construction	021-89	Jun 89	Aug 90	\$106,465	A,C
Ball & Brosamer	013-89	Oct 89	Mar 91	\$557,636	A,D3
Irrigation and Crop Subsidy Program	90-106	Sep 90	May 91	\$0	A,D2
Assessment of User Charges	91-I-1085	Aug 91	Sep 91	\$0	A,D2
Bureau of Reclamation (Continued)					

Subject	Audit Number	Report Date	Mgt Dcsn Date	FBU Agreed	Status*
FFS Implementation	91-I-1445	Sep 91	Jan 92	\$0	A,D2
Salinity Control Projects	93-I-258	Dec 92	Jan 93	\$0	A,C
Deferral of Substantial Completion - Central Arizona Project	93-I-577	Feb 93	Oct 95	\$0	B,D3
Colorado River Basin Salinity Control Program	93-I-810	Mar 93	Sep 93	\$0	A,D2
Distribution Facilities - Central Arizona Project	93-I-1271	Jul 93	Oct 95	\$0	B,D3
Irrigation Drainage Programs	93-I-1302	Jul 93	Dec 93	\$0	A,D2
Financing and Repayment Arrangements Related to the Hoover Dam Powerplant	93-I-1416	Aug 93	Feb 94	\$4,772,000	A,C
High Plains States Groundwater Demonstration Program	93-I-1586	Sep 93	Oct 93	\$0	A,D2
EPA Superfund, Fiscal Year 1992	93-I-1599	Sep 93	Oct 93	\$0	A,D2
Pick Sloan Missouri Basin Program Cost Allocation	93-I-1641	Sep 93	Mar 94	\$0	A,D2
Development Status of the Dolores and the Animas-La Plata Projects	94-I-884	Jul 94	Jul 94	\$0	A,D2
Irrigation of Ineligible Lands	94-I-930	Jul 94	Aug 94	\$0	A,D2
Recreation Management Activities at Selected Sites	95-I-870	May 95	Jun 95	\$0	A,D1
Management of International Activities	95-I-1041	Jul 95	Jul 95	\$0	A,C
Recovery of Construction Costs, Columbia Basin Project	95-I-1204	Aug 95	Sep 95	\$48,700,000	A,D1
Payroll-Personnel System	95-I-1320	Sep 95	Nov 95	\$0	B,D1
Bureau of Reclamation (Continued)					

Subject	Audit Number	Report Date	Mgt Dcsn Date	FBU Agreed	Status*
Recovery of O&M Costs - Columbia Basin Project	95-I-1383	Sep 95	Nov 95	\$0	B,D1
U.S. Geological Survey					
Inventory and Sales Management, National Mapping Division	89-114	Sep 89	May 90	\$0	A,C
Implementation of FFS	92-I-1418	Sep 92	Feb 93	\$0	A,D2
Financial Statements for Fiscal Year 1994	95-I-582	Feb 95	Mar 95	\$0	A,D2
Federal/State Cooperative Program - Water Resources Division	95-I-725	Mar 95	Apr 95	\$6,800,000	A,D1

Subject	Audit Number	Report Date	Mgt Dcsn Date	FBU Agreed	Status*
Hawaiian Homes Commission (PIA)	92-I-641	Mar 92	Apr 95	\$0	A,C
Management of Indian School Facilities (FTPS/ BIA)	93-I-53	Oct 92	Aug 93	\$0	A,D2
Statement of Financial Position (ISC/OAS)	93-I-1277	Jul 93	Sep 93	\$0	A,C
Followup of Recommendations Pertaining to the Office of Aircraft Services (OAS)	94-I-38	Oct 93	Nov 93	\$0	A,D2
Followup-Capital Development Funds, Commonwealth of the Northern Mariana Islands (PIA) **	94-I-945	Jul 94	Nov 94	\$205,558	A,C

Subject	Audit Number	Report Date	Mgt Dcsn Date	FBU Agreed	Status*
Office of the Secretary (Continued)					
Financial Statement for Fiscal Year 1993 and 1994 (ISC)	95-I-592	Feb 95	Mar 95	\$0	A,C

A - Final action had not been taken at the commencement of the reporting period.
B - Management decision made during reporting period.
C - Final action taken during reporting period.
D - No final action has been taken by end of reporting period.
D1 - Management decision made within preceding year.
D2 - Management decision made over 1 year ago.
D3 - Management decision is under formal appeal.

** Audit directed to PIA and insular area government and is also listed under audits with potential, additional, lost, or underpaid revenues.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON
AUDITS WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE**

ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Funds to Better Use	Explanation
National Park Service					
Glen Canyon National Recreation Area	91-I-532	Mar 91	Jun 91	\$0	Work continues on two of the four recommendations. Alternative means of constructing fee stations is being explored as is a determination as to the legality of these methods.
National Natural Landmarks	92-I-204	Dec 91	Apr 92	\$0	Work continues on four of the five recommendations. The FNP prepared regulations for publication in the <u>Federal Register</u> . The FW has not released the proposed regulations.
Recreational Assistance Provided to State and Local Governments	93-I-1615	Sep 93	Mar 94	\$0	Work continues on one of the four recommendations. This program is under review as part of the governmentwide National Performance Review. These issues should be addressed early in fiscal year 1997.
Fish and Wildlife Service					
Implementation of FFS	92-I-1348	Sep 92	Feb 93	\$0	Work continues on three of the eight recommendations. Completion of this audit is dependent on the implementation of IDEAS (scheduled for fiscal year 1997) and obtaining an automated travel interface .

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON
AUDITS WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE**

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Funds to Better Use	Explanation
Fish and Wildlife Service (Continued)					
Automated Data Processing Management	93-I-864	Mar 93	May 93	\$179,000	Work continues on one of the six recommendations. The manual chapter on Information Resources Management (IRM) acquisition policy and procedures has been drafted and is currently in the review and surname process.
Law Enforcement Special Funds	94-I-62	Nov 93	Mar 94	\$0	Work continues on one of the four recommendations. The FWS was directed to return the unobligated special fund balance to Treasury. The FWS disagreed with the recommendation and has requested a Solicitor's opinion. To date the opinion has not been received.
Farming Operations on National Wildlife Refuges, Region 1	94-I-408	Mar 94	Apr 94	\$0	Work continues on one of the four recommendations. Cropland Management Plans have been developed for 13 of the 15 refuges with farming operations and are being reviewed by the Regional Office. The two remaining Plans are in the preparation stage.
Concession Fees	95-I-376	Jan 95	Mar 95	\$0	Work continues on two of the four recommendations. Implementation of the remaining recommendations is pending due to the uncertainty of concessions language in a number of bills currently before Congress. Action will be taken on these recommendations at the conclusion of this session of Congress.
Financial Statements for Fiscal Year 1994	95-I-567	Feb 95	Mar 95	\$0	Work continues on the two of the three recommendations. Progress has been made on the implementation of the remaining recommendations. All required actions should be completed by the end of fiscal year 1996.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON
AUDITS WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE**

ASSISTANT SECRETARY - INDIAN AFFAIRS

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Funds to Better Use	Explanation
Bureau of Indian Affairs					
Operation and Maintenance Assessments - Indian Irrigation Projects	88-42	Feb 88	Jul 88	\$145,000	The Bureau continues efforts to implement three of the original 21 recommendations. Two recommendations concerning billing and monitoring procedures and one on reconciliation of the general ledger is scheduled for completion by December 31, 1997.
Repayment of Investment in Indian Irrigation Projects	89-38	Jan 89	Oct 90	\$0	The original five recommendations remain open. The Bureau anticipates that project repayment balances for all projects will be reconciled by July 1999.
Maintenance of Detention Facilities	94-I-1131	Aug 94	Dec 94	\$0	The original three recommendations remain open. The Bureau has established several actions that are required to implement the three original recommendations. All of these actions have various target dates which, upon completion, will implement all unimplemented recommendations.
Principal Financial Statements	95-I-598	Feb 95	Mar 95	\$0	Three of the original four recommendations are unimplemented. The Bureau is making progress in implementing recommendations concerning real property, construction in progress, and debt collection.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON
AUDITS WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE**

ASSISTANT SECRETARY FOR LAND AND MINERALS MANAGEMENT

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Funds to Better Use	Explanation
Bureau of Land Management					
User Charges for Mineral-Related Document Processing	89-25	Nov 88	Jan 89	\$2,200,000	Work continues on one of the five recommendations. A proposed rulemaking will be submitted to the Department for review and concurrence and OMB approval by the fourth quarter of fiscal year 1996.
Drainage Protection Program	90-100	Sep 90	Feb 91	\$0	Work continues on one of the seven recommendations. As a result of the Solicitor's review, LLM is rewriting the regulations to be consistent with the issued guidelines. LLM will continue to work with the Solicitor's Office to facilitate review and publication of the draft and final rulemaking by the end of fiscal year 1996.
FMFIA	92-I-140	Nov 91	Apr 92	\$0	Work continues on one of the eight recommendations. The final data standards for ALMRS will not be accomplished prior to deployment. Congressional direction required that the system be tested during fiscal year 1996 and deployment take place in fiscal year 1997.
Hardrock Mining Site Reclamation	92-I-636	Mar 92	Oct 92	\$0	Work continues on two of the five recommendations. Final occupancy regulations have been forwarded to the Solicitor's Office. The LLM is working with the Solicitor's Office to complete the final regulations and transmit to OMB for review and approval. Final bonding regulations, which include a penalties provision, have been drafted in cooperation with the Solicitor's Office and are expected to be completed by the end of the 1996 calendar year.
Bureau of Land Management (Continued)					

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON
AUDITS WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE**

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Funds to Better Use	Explanation
Rental Fees for Unpatented Mining Claims	94-I-1135	Aug 94	Aug 94	\$0	Work continues on one of the three recommendations. An opinion has been requested from the Solicitor's Office on the legality of implementing this recommendation.
LLM Financial Statements for Fiscal Year 1992 and 1993	94-I-1249	Aug 94	Oct 94	\$0	One of the three recommendations remain outstanding. The LLM plans to evaluate the fixed asset subsystem of the FFS as a replacement for its existing system and to conduct a comprehensive physical inventory of administrative real property. These actions will be completed by September 1996.
Law Enforcement Activities	94-I-1351	Sep 94	Nov 94	\$0	One of the four recommendations remain outstanding. Implementation is scheduled by the end of July 1996.
Minerals Management Service					
Offshore Inspection Program	92-I-130	Nov 91	Apr 92	\$0	Work continues on one of the three recommendations. The remaining recommendation contains three subparts. The LMS is preparing a Policy and Procedures Manual which will include the three subparts. The Manual will also include Safety and Environmental Management Program and inspection by sampling. The Manual is being written in "plain English," simplifying it as an internal regulation. Completion is expected in October 1996.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON
AUDITS WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE**

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Funds to Better Use	Explanation
Minerals Management Service (Continued)					
Surety Bonds Issued in Lieu of Disputed Payments	93-I-780	Mar 93	Apr 94	\$0	Implementation of the one outstanding recommendation was awaiting the outcome of litigation pending in Federal court. The litigation was recently resolved but the court did not address the issue of orders to perform restructured accounting. The LMS is consulting with the Solicitor's Office on the best course of action to take regarding this recommendation.
Followup Review - Selected Royalty Audit Activities	94-I-127	Dec 93	Mar 94	\$0	Work continues on one of the three recommendations. This recommendation will be implemented through revisions to the Audit Procedures Manual now scheduled for release in September 1996. More time was needed because of a decision to distribute the manual with complete reference files via a dial-up bulletin board.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON
AUDITS WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE**

ASSISTANT SECRETARY FOR WATER AND SCIENCE

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Funds to Better Use	Explanation
Bureau of Reclamation					
Irrigation and Crop Subsidy Program	90-106	Sep 90	May 91	\$0	Work continues on one of the two recommendations. The WBR has been working with the DOA to find a solution to the dual subsidy issues. To date support from DOA has not been forthcoming.
Assessment of User Charges	91-I-1085	Aug 91	Sep 91	\$0	Work continues on one of the two recommendations. Evaluations have been completed regarding financing replacements and capital improvements. These evaluations will be utilized to develop policy for funding capital improvements for project facilities. Final action is anticipated in July 1996.
FFS Implementation	91-I-1445	Sep 91	Jan 92	\$0	Work continues on two of the eighteen recommendations. Completion of the remaining recommendations is dependent on the Department's implementation of IDEAS which is scheduled for March 1997.
Colorado River Basin Salinity Control Program	93-I-810	Mar 93	Sep 93	\$0	Work continues on three of the six recommendations. The WBR recently developed draft regulations which would allow the transfer and marketing of water secured through conservation or fallowing efforts. Implementation of the remaining recommendations is expected to be completed by early 1997.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON
AUDITS WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE**

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Funds to Better Use	Explanation
Bureau of Reclamation (Continued)					
Irrigation Drainage Programs	93-I-1302	Jul 93	Dec 93	\$0	Work continues on one of the four recommendations. Studies to identify other contaminated sites will be resolved through site-specific studies presently underway. The studies are to be completed in fiscal year 1997.
High Plains States Groundwater Demonstration Program	93-I-1586	Sep 93	Oct 93	\$0	Work continues on two of the four recommendations. Instructions have been issued to field offices regarding the limitations on the Program. Closure of the audit is dependent on OIG agreement that a legislative remedy is no longer necessary.
EPA Superfund, Fiscal Year 1992	93-I-1599	Sep 93	Oct 93	\$0	Work continues on the two recommendations. The WBR is currently working with the EPA to amend the interagency agreement for the additional funds. The agreement is expected to be completed in June 1996.
Pick Sloan Missouri Basin Program Cost Allocation	93-I-1641	Sep 93	Mar 94	\$0	Work continues on the five recommendations. The WBR is seriously studying the reallocation of the Pick-Sloan Missouri Basin Program costs utilizing "current-use" procedures rather than pursuing deauthorization of specific project units as initially proposed. Such a proposal will require congressional approval.
Development Status of the Dolores and the Animas-La Plata Projects	94-I-884	Jul 94	Jul 94	\$0	Work continues on one of the three recommendations. The final cost allocation should be completed in October 1998.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON
AUDITS WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE**

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Funds to Better Use	Explanation
Bureau of Reclamation (Continued)					
Irrigation of Ineligible Lands	94-I-930	Jul 94	Aug 94	\$0	Work continues on the three recommendations. The WBR is currently re-evaluating its initial implementation action which is proposed in response to the recommendations.
U.S. Geological Survey					
Implementation of FFS	92-I-1418	Sep 92	Feb 93	\$0	Work continues on two of the 19 recommendations. Development of an Annual Financial Systems Plan is scheduled for completion in June 1996. Implementation of the automated billing process is expected in fiscal year 1997.
Financial Statements for Fiscal Year 1994	95-I-582	Feb 95	Mar 95	\$0	Work continues on two of the three recommendations. Furloughs delayed audit completion. The recommendations contained in the audit are scheduled for completion in fiscal year 1996.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON
AUDITS WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE**

OFFICE OF THE SECRETARY

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Funds to Better Use	Explanation
Office of the Secretary					
Management of Indian School Facilities	93-I-53	Oct 92	Aug 93	\$0	Work continues on two of the 16 recommendations. A proposed rule to implement these recommendations was published in the <u>Federal Register</u> in October 1993. However, due to reduced funding for new school construction, the final rule has not been issued. A target implementation date cannot be projected at this time.
Followup - Office of Aircraft Services	94-I-38	Oct 93	Nov 93	\$0	Work continues on two of the three recommendations. A contractor has been hired to accomplish the input workload of the fleet aircraft maintenance system. A six-month review will be accomplished prior to the next report to Congress.

**DEPARTMENTAL SUMMARY OF ACTIONS TAKEN ON AUDITS WITH POTENTIAL
ADDITIONAL, LOST, OR UNDERPAID REVENUES**

				Number of Reports	Revenues Agreed
(A) Reports on hand at the beginning of the reporting period				11	\$3,080,000
Adjustments				1	\$2,029,396
(B) New reports received during the reporting period				2	\$0
Total reports in tracking				14	\$5,109,396
(C) Reports closed during the reporting period				3	\$2,109,396
(D) Reports in progress at the end of the reporting period				11	\$3,000,000
Code	Explanation	No. of Reports	Revenues Agreed		
D1	Mgmt dcsn < 1 year old	4	\$0		
D2	Mgmt dcsn > 1 year old	6	\$3,000,000		
D3	Mgmt dcsn under formal appeal	1	\$0		

**STATUS OF ACTIONS TAKEN ON AUDITS WITH POTENTIAL ADDITIONAL,
LOST, OR UNDERPAID REVENUES**

ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS

Subject	Audit Number	Report Date	Mgt Dcsn Date	Revenues Agreed	Status*
National Park Service					
Concessions Management	94-I-1211	Sep 94	Dec 94	\$0	A,D2
Fish and Wildlife Service					
Recovery of Costs Incurred for Mitigation of Fishery Damages	91-I-284	Jan 91	May 91	\$0	A,C
Followup-Recommendations Concerning User Charges and Collections	95-I-208	Dec 94	Mar 95	\$3,000,000	A,D2

ASSISTANT SECRETARY FOR LAND AND MINERALS MANAGEMENT

Subject	Audit Number	Report Date	Mgt Dcsn Date	Revenues Agreed	Status*
Bureau of Land Management					
Onshore Geophysical Exploration Program	92-I-828	May 92	Sep 93	\$0	A,D2
Followup of Recom(s) re User Charges for Mineral- Related Docu. Processing	95-I-379	Jan 95	Feb 95	\$0	A,D2
Onshore Oil and Gas Leasing Activities	95-I-638	Mar 95	Apr 95	\$0	A,D1
Wind Energy Right-of-Way	95-I-709	Mar 95	May 95	\$0	A,D1
Minerals Management Service					
Gas Contract Settlements	92-I-657	Mar 92	June 92	\$0	A,D2

**STATUS OF ACTIONS TAKEN ON AUDITS WITH POTENTIAL ADDITIONAL,
LOST, OR UNDERPAID REVENUES**

ASSISTANT SECRETARY FOR WATER AND SCIENCE

Subject	Audit Number	Report Date	Mgt Dcsn Date	Revenues Agreed	Status*
Bureau of Reclamation					
Recovery of Program Expenses	92-I-269	Dec 91	Jan 92	\$80,000	A,C
Interest Rate Applicable to the San Felipe Division - CVP	92-I-348	Jan 92	Jun 92	\$0	A,D2
Miscellaneous Revenue Collection and Distribution	92-I-887	Jun 92	Mar 95	\$0	A,D1
Cost Allocation and Repayment - Central Arizona Project	92-I-1151	Augu 92	Oct 95	\$0	B,D3
Followup-Recovery of Operation and Maintenance Program Expenses	95-I-1376	Sep 95	Dec 95	\$0	B,D1

OFFICE OF THE SECRETARY

Subject	Audit Number	Report Date	Mgt Dcsn Date	Revenues Agreed	Status*
Followup - Capital Devel. Funds, Commonwealth of the Northern Mariana Islands **	94-I-945	Jul 94	Nov 94	\$2,029,396	A,C

***Explanation of Status Codes**

A - Final action had not been taken at the commencement of the reporting period.

B - Management decision made during reporting period.

C - Final action taken during reporting period.

D - No final action has been taken by end of reporting period.

D1 - Management decision made within preceding year.

D2 - Management decision made over 1 year ago.

D3 - Management decision is under formal appeal.

** Audit directed to PIA and insular area government and involves both lost revenues and funds to be put to better use.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON AUDITS WITH
POTENTIAL ADDITIONAL, LOST, OR UNDERPAID REVENUES**

ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Revenues	Explanation
National Park Service					
Concessions Management	94-I-1211	Sep 94	Dec 94	\$0	Work continues on two of the 13 recommendations. The remaining recommendations involve the publication of a final rule in the <u>Federal Register</u> and the issuance of a policy directive on franchise fee considerations.
Fish and Wildlife Service					
Followup- Recommendations Concerning User Charges and Collections	95-I-208	Dec 94	Mar 95	\$3,000,000	Work continues on two of the five recommendations. Legislation has been proposed to test innovative methods to collect fees and return revenues to support costs of providing a hunting program.

ASSISTANT SECRETARY FOR LAND AND MINERALS MANAGEMENT

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Revenues	Explanation
Bureau of Land Management					
Onshore Geophysical Exploration Program	92-I-828	May 92	Sept 93	\$0	Two recommendations remain open. An Advance Notice of Proposed Rulemaking was published in the <u>Federal Register</u> . Comments have been reviewed and considered, and are awaiting management's decision to proceed.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON AUDITS WITH
POTENTIAL ADDITIONAL, LOST, OR UNDERPAID REVENUES**

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Revenues	Explanation
Bureau of Land Management (Continued)					
Followup of Recommendations regarding User Charges for Mineral-Related Document Processing	95-I-379	Jan 95	Feb 95	\$0	Two recommendations remain open. A Minerals Management Cost Recovery Subteam, as a part of a larger LLM Cost Recovery Team, has been established to prepare recommendations to revise existing fees or establish new fees for mineral-related actions.
Minerals Management Service					
Gas Contract Settlements	92-I-657	Mar 92	June 92	\$0	One of four recommendations remains open. Reviews have been completed for 1,532 of the known 3,518 contract settlements, generating about \$132 million in additional royalty collections. This effort is scheduled for completion by December 1998.

ASSISTANT SECRETARY FOR WATER AND SCIENCE

Subject	Audit Number	Report Date	Mgt Dcsn Date	Outstanding Revenues	Explanation
Bureau of Reclamation					
Interest Rate Applicable to the San Felipe Division - CVP	92-I-348	Jan 92	Jun 92	\$0	Work continues on the only recommendation. The WBR has completed the review of the 1949 policy regarding interest rates on municipal water supply features. A draft policy has been prepared for Secretarial signature.

**DEPARTMENTAL SUMMARY OF ACTIONS TAKEN ON OIG INTERNAL AUDITS
REFERRED FOR RESOLUTION**

		Number of Reports
(A) Reports in resolution at the beginning of the reporting period		6
(B) New reports received during the reporting period		0
Total reports in resolution		6
(C) Reports resolved during the reporting period		4
In Tracking	3	
Closed	1	
(D) Reports in resolution at the end of the reporting period		2

STATUS OF ACTIONS TAKEN ON OIG INTERNAL AUDITS REFERRED FOR RESOLUTION

Subject	Audit Number	Report Date	Referral Date	Mgmt. Dcsn Date	Status
Assistant Secretary - Indian Affairs Bureau of Indian Affairs					
Selected Financial Activities of the Pinon Community School Board	95-I-416	Jan 95	Sep 95	Oct 95	Closed
Assistant Secretary - Land and Minerals Management Bureau of Land Management					
Sale of Materials from Public Lands	94-I-496	Mar 94	Oct 94		Pending
Assistant Secretary for Water and Science Bureau of Reclamation					
Repayment of Municipal & Industrial Water Supply Investment Costs	92-I-1128	Aug 92	Feb 93		Pending
Cost Allocation Repayment, Central Arizona Project	92-I-1151	Aug 92	Feb 93	Oct 95	Tracking
Deferral of Substantial Completion, Central Arizona Project	93-I-577	Feb 93	Jun 93	Oct 95	Tracking
Distribution Facilities, Central Arizona Project	93-I-1271	Jul 93	Dec 93	Oct 95	Tracking

STATUS OF ACTIONS TAKEN ON FINAL REPORTS ISSUED BY THE GENERAL ACCOUNTING OFFICE

Subject	Report Number	Report Date	Mgt Dcsn Date	Status
Assistant Secretary for Fish and Wildlife and Parks				
National Park Service				
NATIONAL PARK SERVICE: Condition of and Need for Employee Housing (140770)	RCED-93-192	Sep 93	Jul 94	A,D2
NATIONAL PARK SERVICE: Activities Outside Park Borders Have Caused Damage to Resources and Will Likely Cause More (140762)	RCED-94-59	Jan 94	May 94	A,D2
NATIONAL PARK SERVICE: Reexamination of Employee Housing Program Is Needed (140788)	RCED-94-284	Aug 94	Jan 95	A,D2
U.S. Fish and Wildlife Service				
FISHERIES MANAGEMENT: Administration of the Sport Fish Restoration Program (140665)	RCED-94-4	Nov 93	Jun 94	A,D2
WILDLIFE PROTECTION: Fish and Wildlife Service's Inspection Program Needs Strengthening (140681)	RCED-95-8	Dec 94	Jul 95	A,D1
Assistant Secretary for Land and Minerals Management				
Bureau of Land Management				
FEDERAL LANDS: Fees for Communications Sites Are Below Fair Market Value (140780)	RCED-94-248	Jul 94	Oct 94	A,D2
MINERAL RESOURCES: Federal Coal-Leasing Program Needs Strengthening (140280)	RCED-94-10	Sep 94	Dec 94	A,D2

Subject	Report Number	Report Date	Mgt Dcsn Date	Status
Minerals Management Service				
Selectively Reducing Offshore Royalty Rates in the Gulf of Mexico Could Increase Oil Production and Federal Government Revenue (001737)	RCED-85-6	May 85	Jul 85	A,D2
MINERAL REVENUES: Progress Has Been Slow in Verifying Offshore Oil and Gas Production (140259)	RCED-90-193	Aug 90	Mar 91	A,D2
Assistant Secretary for Water and Science				
Bureau of Reclamation				
BUREAU OF RECLAMATION: Central Valley Project Cost Allocation Overdue and New Method Needed (140868)	RCED-92-74	Mar 92	Jul 92	A,D2
BUREAU OF RECLAMATION: Unauthorized Recreation Facilities at Two Reclamation Projects (140879)	RCED-93-115	Sep 93	Mar 94	A,C
Office of the Secretary				
RECORDS MANAGEMENT: Inadequate Controls Over Various Agencies' Political Appointee Files (711042)	NSIAD-94-155	Jul 94	Aug 94	A,C
FINANCIAL MANAGEMENT: Focused Leadership and Comprehensive Planning Can Improve DOI's Management of Indian Trust Funds (901628)	AIMD-94-185	Sep 94	Nov 94	A,D2

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D3 - Management decision is under formal appeal.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON
FINAL REPORTS ISSUED BY THE GENERAL ACCOUNTING OFFICE**

ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS

Subject	Audit Number	Report Date	Mgt Dcsn Date	Explanation
National Park Service				
National Park Service: Condition of and Need for Employee Housing (140770)	RCED-93-192	Sep 93	Jul 94	The FNP has begun a park-by-park assessment of housing needs. The maintenance management system is being further refined to identify accelerated depreciation which occurs as a result of maintenance not performed. The FNP is also pursuing legislative changes that will allow the FNP to take advantage of different alternatives and out-of-park options. The FNP has limited legal authority to enter into partnerships with the private sector, and efforts to involve the private sector have been concentrated at the eight target parks identified by the National Park Foundation.
National Park Service: Activities Outside Park Borders Have Caused Damage to Resources and Will Likely Cause More (140762)	RCED-94-59	Jan 94	May 94	Because of the Continuing Budget Resolution, the Service was unable, to staff a programmer position to make the changes. Once the Service has been given the approval to hire, implementation of the above recommendation should be possible. Meanwhile, other methods to accomplish this work are being explored.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON
FINAL REPORTS ISSUED BY THE GENERAL ACCOUNTING OFFICE**

Subject	Audit Number	Report Date	Mgt Dcsn Date	Explanation
National Park Service (Continued)				
National Park Service: Reexamination of Employee Housing Program is Needed (140788)	RCED-94-284	Aug 94	Jan 95	The park-by-park assessment of housing needs will proceed using a process developed in part by the Office of the Secretary. Additionally, the identification of housing needs has been further refined by the development of a catalog of standard housing designs. The FNP is redesigning its method of determining standard housing costs and by doing this, establishing parity with housing construction costs in the private sector. These are further refinements of the FNP strategy to improve management of the employee housing program.
Fish and Wildlife Service				
Administration of the Sport Fish Restoration Program (140665)	RCED-94-44	Nov 93	Jun 94	Policy and procedures for funding Federal Aid administrative projects were finalized in the <u>Federal Register</u> as of May 31, 1994. The policy and procedures provide "focus areas" that unsolicited proposals need to contain if they are to be considered for funding. A chapter addressing the administrative project policy, from project selection through project closeout, is being prepared for inclusion in the FWS Manual. The scheduled completion date is April 30, 1996, at which time copies of products completed will be deposited in the FWS Reference Library, as appropriate.

**EXPLANATION OF REASONS FINAL ACTION IS INCOMPLETE ON
FINAL REPORTS ISSUED BY THE GENERAL ACCOUNTING OFFICE**

Subject	Audit Number	Report Date	Mgt Dcsn Date	Explanation
Fish and Wildlife Service (Continued)				
Wildlife Protection: Fish and Wildlife Service's Inspection Program Needs Strengthening (140681)	RCED-95-8	Dec 94	Jul 95	<p>The FWS finalized plans to centralize input of wildlife import data into LEMIS in early fiscal year 1996. The centralized data entry program began on December 6, 1995. The redesign of the import/export subsystem of LEMIS is expected to be completed by March 31, 1997. A full year of data from the new subsystem will be available for use in evaluating the effectiveness of law enforcement efforts relating to inspection-related violations. When available, this information will be submitted to the Office of the Solicitor and the DOJ for review.</p> <p>The final rule implementing the increased user fees charged by the Wildlife Inspection Program was finalized and signed by FW on February 6, 1996.</p>

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ASSISTANT SECRETARY FOR LAND AND MINERALS MANAGEMENT

Subject	Audit Number	Report Date	Mgt Dcsn Date	Explanation
Bureau of Land Management				
Federal Lands: Fees for Communications Sites Are Below Fair Market Value (140780)	RCED-94-284	Jul 94	Oct 94	<p>On November 13, 1995, the LLM published a final rule in the <u>Federal Register</u>. The rule establishes a process for setting rents using a rental schedule. Training-the-Trainer sessions were completed in March and Field Office Training is currently being conducted by the State office lead. More Field Office training is scheduled for June.</p> <p>The LLM has developed guidance/standards which are used by all State Offices to achieve uniformity in data gathering and reporting. A multi-program team will continue to examine fees to achieve a cost-recovery program which is consistent across traditional programmatic lines. In addition, a subteam has been established to prepare recommendations for revising existing fees or establishing new fees for mineral-related actions. The initial focus for the team will be on fees that will have significant impact on the amount of cost recovery.</p>
Mineral Resources: Federal Coal-Leasing Program Needs Strengthening (140280)	RCED-94-10	Sep 94	Dec 94	<p>A draft rule to amend existing regulations was proposed and published in the <u>Federal Register</u>, on December 28, 1994. The Solicitor's Office has reviewed and commented on the draft rule. The LLM's Regulatory Management Team expects to complete the final rule by late fiscal year 1996. The completion of the final rule will satisfy recommendations 1-3 of this audit report.</p>

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Minerals Management Service				
Selectively Reducing Offshore Royalty Rates in the Gulf of Mexico Could Increase Oil Production and Federal Government Revenue (001737)	RCED-85-6	May 85	Jul 85	On December 14, 1995, LMS issued "Guidelines for the Application, Review, Approval, and Administration of the Royalty Relief Program." These Guidelines give industry procedures to follow when applying for relief on marginally producing wells and provide the economic incentive to ensure continued production on older oil and gas leases and sustain profitability. The LMS is currently reviewing the Guidelines to assure that they provide both ease of administration and enough information to ensure that net revenue payments are made correctly. Regulations incorporating these Guidelines will be issued in May 1996.
MINERAL REVENUES: Progress Has Been Slow in Verifying Offshore Oil and Gas Production (140259)	RCED-90-193	Aug 90	Mar 91	Since the GAO's report was written, the gas industry has undergone considerable change. This has caused us to further analyze whether the LMS can implement this recommendation without imposing an excessive burden on industry. Meetings are being held in April 1996 to decide this issue.

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ASSISTANT SECRETARY FOR WATER AND SCIENCE

Subject	Audit Number	Report Date	Mgt Dcsn Date	Explanation
Bureau of Reclamation				
Central Valley Project Cost Allocation Overdue and New Method Needed (140868)	RCED-92-74	Mar 92	Jul 92	<p>The Mid-Pacific Region will update the interim cost allocation to reflect the capital investment as of September 30, 1995. The specific costs will continue to be allocated to their respective functions, and the remaining joint costs will be allocated in direct proportion to specific costs as proposed by GAO. A report on the updated interim cost allocation will be prepared and submitted for public review. The report will describe the method used to update the cost allocation and compare the results of the old and new methods used to allocate the joint costs.</p> <p>The WBR plans to release the report for a 90-day public review, conduct public information workshops to explain the cost allocation process, and receive public comments. Following the public review process, written responses to the public comments will be prepared. The report will be revised as appropriate and submitted for approval to the Regional Director, Mid-Pacific Region. Approval of the updated interim cost allocation is expected by March 31, 1997.</p>

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OFFICE OF THE SECRETARY

Subject	Audit Number	Report Date	Mgt Dcsn Date	Explanation
Office of the Secretary				
Financial Management: Focused Leadership and Comprehensive Planning Can Improve Interior's Management of Indian Trust Funds (901628)	AIMD-94-155	Sep 94	Nov 94	The comprehensive Strategic Plan required by law cannot be completed until adequate funding and staffing is secured. The Office of Special Trustee anticipates that funding might be available in Fiscal Year 1997.